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C O N F I D E N T I A L SECTION 01 OF 04 COLOMBO 000485

SIPDIS

DEPARTMENT FOR SA, SA/INS, S/CT, SA/PD; NSC FOR
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LONDON FOR POL/RIEDEL

E.O. 12958: DECL: 03-24-13

TAGS: PGOV PTER PINS KPAO CE NO JA CH LTTE

SUBJECT: Sixth round of talks proves constructive;
Tigers reportedly sink Chinese fishing boat

Refs: (A) Colombo-SA/INS 03/21/03 e-mail
- (B) Colombo 475, and previous

(U) Classified by Lewis Amselem, Deputy Chief of
Mission. Reasons: 1.5 (b,d).

1. (C) SUMMARY: The sixth round of GSL-LTTE talks wrapped up on March 21, with the two sides issuing a comprehensive press statement. Minister Moragoda, a key GSL negotiator, told the Ambassador he was encouraged by the talks -- the Tigers seemed committed to the peace track for now and badly wanted U.S. recognition. As the talks wrapped up, reports came in that the Tigers had apparently sunk a Chinese fishing boat on March 20. The fact that the talks went as well as they did provided a solid boost for the peace process. Suggested press guidance is contained in Para 8. Mission plans to issue this guidance on March 25 unless otherwise directed.
END SUMMARY.

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Moragoda's Comments
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2. (C) The sixth round of Norwegian-facilitated talks between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) wrapped up on a largely positive note on March 21. (Note: The talks took place in Hakone, Japan, from March 18-21.) In a March 22 conversation with the Ambassador, Milinda Moragoda (Amcit -- pls protect), the Minister of Economic Reform and a key GSL negotiator, said he was encouraged by the talks and stated that, in his estimation, three headlines emerged from them. First, the Tigers had clearly shown in Hakone that they did not want the talks to fall apart, at least not now. Second, the Tigers want to be perceived not as terrorists, but as "freedom fighters" -- international recognition, especially by the United States, is key for them. Third, the Tigers want and need money for development of "their" part of Sri Lanka (i.e., the sections of the north and east under their control).

3. (C) Moragoda went on to make the following specific remarks re the talks:

-- LTTE senior negotiator Anton Balasingham is "very, very" worried about the Tiger navy (the "Sea Tigers"). The Sea Tigers "feel caged," are bristling with resentment, and ready to go back to war if they could. (Note: See Paras 5-6 regarding reports that the Sea Tigers were involved in the March 20 sinking of a Chinese fishing boat.)

-- During the talks, LTTE leader V. Prabhakaran called Balasingham at least twice a day.

-- The LTTE said it wanted an expansion of the Sub-Committee on Immediate Humanitarian Rehabilitation Needs (SIHRN) so that the body can consider mid- and long-range projects for the north/east. Moragoda said the GSL would only agree to this if the LTTE agreed to talk about political structures and milestones to be reached prior to a final settlement.

-- Moragoda said he was very worried about chain-of-command issues within the Sri Lankan military. He expressed concerns, "for example," about a March 10 incident in which the navy attacked and sunk a LTTE ship off the northeast coast without what he considered a clear political go-ahead from GSL leaders. (Note: Due to this incident, which resulted in the deaths of 11 LTTE cadre, the Tigers almost boycotted the Hakone talks. The navy asserts that the LTTE ship was carrying arms.) Overall, he felt that civilian control over the military was "too loose" and that Prime Minister Wickremesinghe was not exerting enough control.

-- Moragoda said he felt that the Japanese hosts of the Hakone talks were "out of their depth" on political

issues. He added that he noticed tension between the Japanese and the Norwegian facilitators throughout the negotiations.

-- At the end of the conversation about the talks, Moragoda reflected and said that it had been important that the two sides had reached an understanding in Hakone that the ceasefire needed to be consolidated. The security situation needed to be managed very carefully, and he was pleased in this regard that there would be a meeting between the Sri Lankan navy and Sea Tiger commanders in the next several weeks (see Para 4).

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Joint Press Statement
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14. (C) At the close of the talks on March 21, the two sides issued a joint press statement through the offices of the Norwegian facilitators. (Note: The text of this statement was passed to SA/INS in Ref A.) Per the statement, key topics addressed at the talks included the following:

-- Ceasefire Modalities: As noted by Moragoda, the two sides discussed ways to avoid a repetition of recent sea confrontations, such as the March 10 incident. The two sides agreed to meet within three weeks in order to review the February 2002 ceasefire agreement and find ways to improve on it in regard to sea-related issues. The two sides also agreed to establish clear modalities for handling GSL soldiers and LTTE cadre captured by the other party. (Note: There have been a number of incidents in which the LTTE has detained GSL troops and police, and refused to release them for days and weeks at a time.)

-- Strengthening the Monitors: As part of the general effort to improve the implementation of the ceasefire agreement, the two sides agreed "to strengthen the mandate and capacity" of the Norwegian-run SLMM. The two sides also agreed to "guarantee the security" of SLMM personnel. (Note: The security of SLMM personnel became a major issue after monitors were forced to jump for their lives from a burning LTTE boat in February.)

-- Federalism: Reconfirming their commitment to "develop a federal system based on internal self-determination within a united Sri Lanka," the two sides discussed "essential elements" of federalism, including fiscal issues. (Note: Per Ref B, in a March 20 meeting with the Ambassador, Prime Minister Ranil Wickremesinghe stated that the GSL had proposed an outline regarding long-term political issues to the Tigers. The PM was not clear on the exact nature of the GSL's proposal. He said the LTTE did not respond immediately, but promised to review the proposal. In an interesting aside, Moragoda told the Ambassador that Balasingham had told him the following: "You know, Milinda, we can't have a final settlement until Ranil is president." In making this comment, Balasingham was clearly hitting out at President Kumaratunga and others who have taken a critical stance toward the peace process. End Note.)

-- North/East Local Elections: The LTTE indicated that it would "favorably consider" allowing the government to call new local elections in the north and east. (Note: Local elections in these two regions have been postponed for some time. In his conversation with the Ambassador, Moragoda said Balasingham had confirmed the LTTE's intention to consider seriously allowing these elections to go forward.)

-- Human Rights: The press statement also reviewed a human rights "road map" put forward by Ian Martin, a former Amnesty International official. The road map, among other matters, proposes that the two sides agree to a "declaration" on human rights, and allow human rights training for LTTE cadre and government personnel. Per Ref B, the LTTE apparently did not sign on to the road map at the talks, stating that it needed further time to review it. (Note: Moragoda said Martin's presentation at the talks provoked yawns from both delegations.)

-- Meeting Schedule: The two sides agreed to the following schedule of meetings:

- April 29 to May 2 in Thailand
- June 12-15 in Japan
- July 15-18 in Europe (venue to be determined)

(Note: The April/May and June dates are not new, but the July date is.)

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Chinese Fishing Boat Attacked

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15. (SBU) As the talks wrapped up on March 21, reports came in that the Tigers had apparently sunk a Chinese fishing boat off the northeast coast in the early morning hours of March 20. Details are still sketchy, but it seems that small boats with armed personnel attacked the Chinese boat about 20 or so miles off the LTTE-controlled coastal town of Mullaitivu. According to reports, up to 17 crew on the Chinese boat are missing and feared dead (three bodies have been found, so far). (Note: Most of those missing are Chinese nationals, but some may be Sri Lankan.) The Sri Lankan navy, which is conducting a search and rescue operation, claims that the Sea Tigers carried out the attack. For their part, the Tigers have vigorously denied involvement. The SLMM is still investigating the incident. The Chinese Embassy in Colombo has lodged a complaint with the Sri Lankan MFA and demanded a full-and-complete investigation.

16. (C) When asked about the mysterious incident, most observers told us that they believed, per the available evidence, that the LTTE almost certainly sank the boat. They were not clear exactly why the Tigers may have done so, however. Some speculated that the LTTE may have felt that the Chinese fishing boat had gotten too close to sensitive LTTE military outposts near Mullaitivu and decided to sink the boat without checking its identity.

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COMMENT
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17. (C) The fact that the talks went as well as they did provided a solid boost for the peace process. There had been real fears after the March 10 incident that the Tigers might boycott the talks or choose to use them as a platform to criticize the government. Except for the first day of talks when the Tigers discussed the incident in a non-rancorous way, the LTTE did not dwell on the incident and seemed to go out of its way to make clear that it wanted to move forward with the peace process. Moragoda, for one, came away with increased confidence that the Tigers want to make the process work, at least for now. By taking a softer tack, the Tigers certainly made things much easier for the government. The GSL had been taking a lot of flak from the Opposition re the peace process and will, no doubt, continue to do so. Nonetheless, the fact that the Tigers were cooperative in Hakone will make it harder for the Opposition to score political points. END COMMENT.

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Suggested Press Guidance
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18. (U) Suggested press guidance follows below. Mission plans to issue guidance along these lines on March 25 unless otherwise directed.

Begin text:

The U.S. has taken note of the talks between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE) held in Hakone, Japan, from March 18-21. We are encouraged by the substantive and comprehensive nature of the talks, which focused on such issues as federalism and human rights. Most importantly, we welcome the discussions on ways to improve ceasefire modalities. We hope these discussions will lead to a cessation of efforts by the LTTE to smuggle arms into Sri Lanka and prevent confrontations such as the one which took place off the northeast coast on March 10. It is positive that the two sides have agreed to meet again in April/May, in June, and in July. We salute the Norwegian government for facilitating the talks and the Japanese government for hosting them.

Regarding the March 20 incident in which the LTTE reportedly attacked and sank a Chinese fishing boat, we note that information is still very sketchy. We support a complete and immediate investigation into what took place. We, of course, deplore the loss of life and hope those missing will be found soon.

End text.

19. (U) Minimize considered.

WILLS